

Foreword

The Department of Housing and Community Affairs, Licensing and Registration Unit, annually conducts a survey of all multifamily rental facilities in Montgomery County with twelve or more rental units. The survey requests information about the number of unit vacancies on April 1, 2002 and turnover rental rates, which are rents offered to prospective tenants for vacant units. The 2002 surveys were mailed to 430 rental facilities, of which 420 facilities responded.

The data shows a softening of the housing market countywide with a vacancy rate of 3.5 percent, up from 1.8 percent in 2001. This rate is still well below a balanced market vacancy rate of about 5 percent. The average countywide turnover rent is now \$1,076, an increase of four and a half percentage points from 2001. This increase is the smallest since 1997, reflecting the softening of the area economy over the last year. Approximately 39.2 percent of the properties included in the survey reported a waiting list. It is uncertain if some properties did not report a waiting list because it is their policy not to maintain one or if there were no applicants requesting to be on a list. Although there was a slight decline in the number of properties reporting waiting lists, the number of applicants remained high, especially for subsidized units. Over 3,850 applicants were reported on waiting lists for subsidized units for families or the elderly.

The report is based on vacancy and turnover rents as of April 1, 2002 as reported by 410 rental facilities with 68,237 units. Response from ten properties, representing an additional 1,805 units was not included because they are newly-constructed and in the process of “renting up” or are undergoing major renovations. Facilities included are those located within Montgomery County’s unincorporated areas as well as within the municipalities of Rockville, Gaithersburg and Takoma Park. The data represents 92.5 percent of the approximate 73,750 total multifamily units in the county. Facilities with less than twelve units are not included in the survey.

The report focuses on market rate rental units. However, some charts include data relating to subsidized units. The definition of a subsidized unit includes below market rate units found in market rate rental facilities. Charts labeled “Market Rate and Subsidized” contain data for all units. Vacancy and turnover rent data is presented countywide and by market area. Historical survey results are included, as available, to illustrate year-to-year changes since 1998.

The market remains very tight, but with rental rate increases moderating somewhat. The new supply of units either leasing or under construction should ease the market somewhat. However, as job growth picks back up, it is expected that finding an affordable unit in your desired area will remain a challenge.

We trust that you find this report informative. If you have any questions, please contact the Licensing and Registration Unit staff at 240-777-3636.

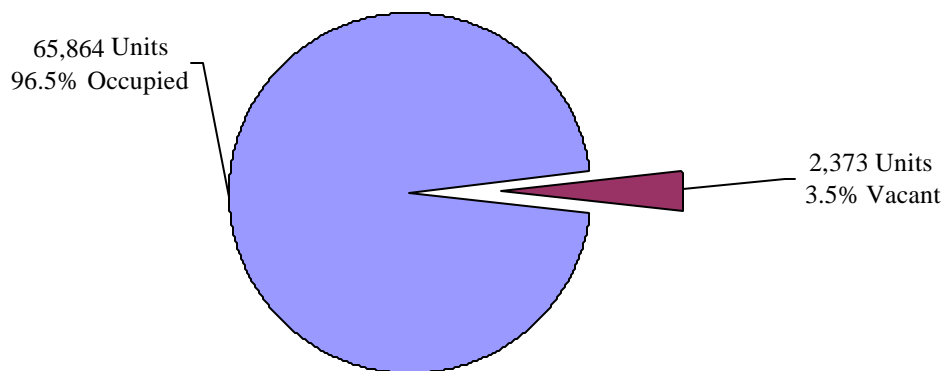
Elizabeth B. Davison, Director
Department of Housing and Community Affairs

Summary of Units Included in Report

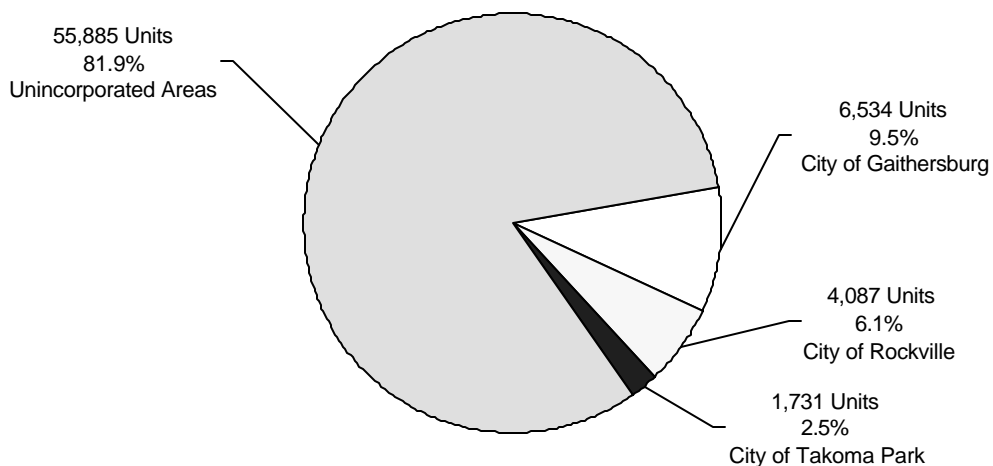
Surveys were mailed to 430 rental facilities with twelve or more rental units located within Montgomery County. Responses were received from 420 facilities, approximately 98% of the facilities surveyed.

The data included in the report is based on responses from 410 facilities with 68,237 units, approximately 92.5% of the total number of rental units in Montgomery County. The responses from ten facilities were not included as these properties were in the process of “renting up” or undergoing major renovations.

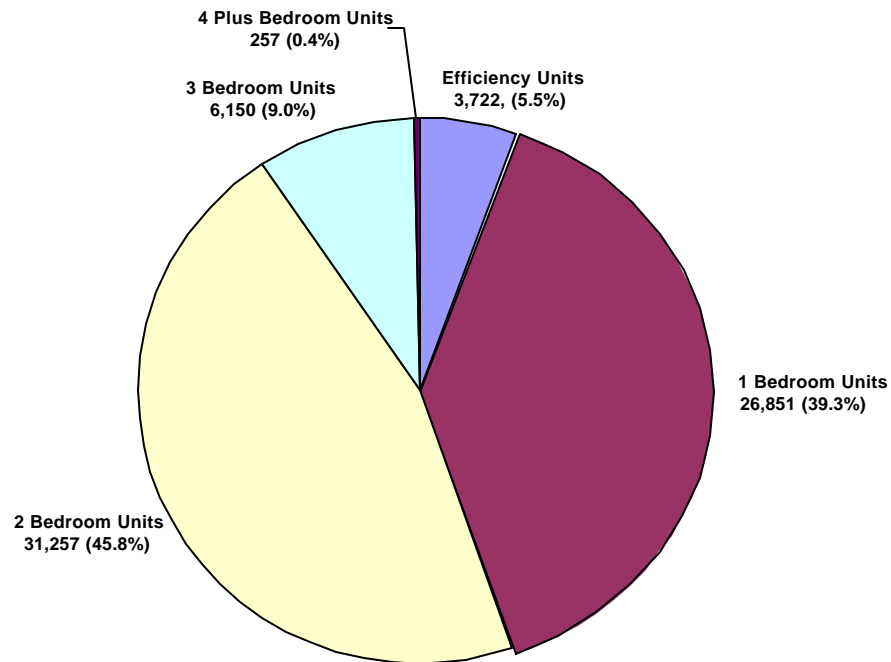
68,237 Market Rate and Subsidized Rental Units



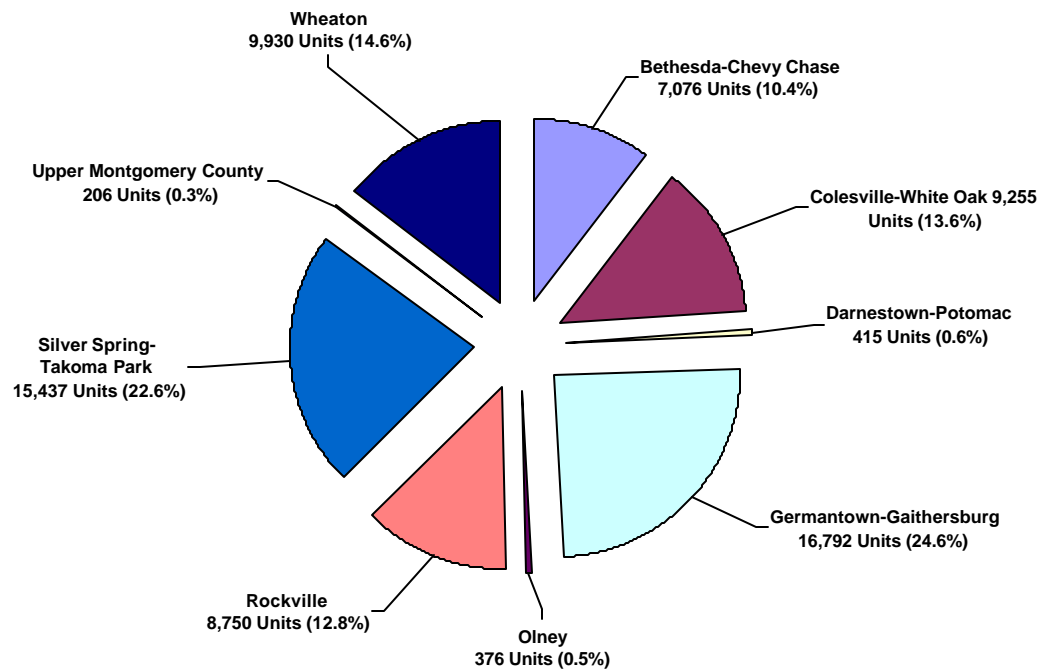
Distribution of Units By Jurisdiction



Distribution of Units By Size



Distribution of Units by Market Area



Distribution of Units By Structure Type

